

Central Intelligence Agency



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#### DIRECTORATE OF INTELLIGENCE

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## Summary

Ten years after independence, Mozambique's prospects for an end to armed insurgency and for economic recovery remain bleak. The Mozambique National Resistance insurgents operate freely throughout the countryside, while the government's weak and demoralized forces firmly control little more than the major urban areas. The modern sector of the economy was devastated by the departure of most Portuguese skilled workers and supervisors in 1975, and it has been unable to recover due to guerrilla attacks, misquided Marxist policies, and recurring droughts and floods.

We believe that over the next year or so, the insurgents will begin to consolidate control over most rural areas—despite some tactical gains from a recent Mozambican-Zimbabwe offensive—but will be unable to seize and hold cities and

This memorandum was prepared for Phillip Ring ffairs, National Security Council, frican and Latin American Analysis, Office of Soviet Analysis.  Office of Soviet Analysis.	Office of
was used in its preparation. Comments and ou	peries are welcome and may be
irected to the Chief, Central Africa Branch, Afri	ica Division, ALA.
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large military garrisons. It is unlikely but possible that spectacular setbacks on the battlefield could spark a rapid collapse of the government's will to fight, or that the insurgents may run short of supplies and be forced to reduce military operations. Peace talks may be revived, but a final agreement is unlikely. Over this same period, we also anticipate that significant economic recovery will be impossible.

Machel's nonaggression pact with South Africa and recent turn toward the West, as well as the worsening military situation, have reportedly stimulated coup plotting in Maputo. Machel, however, is a political survivor as well as the indisputable leader of his party, and is likely to remain in power. Maputo has tried to diversify its foreign military suppliers, but remains highly dependent on Moscow for security assistance.

During his meeting with President Reagan, Machel is likely to express appreciation for US economic assistance and disappointment over Congress' failure to approve military assistance. Machel undoubtedly will ask for more US aid in return for which he probably would agree to a symbolic US naval visit to Maputo, the addition of a defense attache to the US Embassy there, and to more balanced voting by Maputo's representative at the UN. In public, Machel will be critical of US policy toward South Africa, but is unlikely to embarrass US leaders for fear of jeopardizing aid requests.

#### Machel As A Leader

President Samora Machel--who will turn 52 this month and is a physical fitness enthusiast--dominates his government. He has been Mozambique's only head of state since independence from Portugal in 1975, and he has headed the Front for the Liberation of Mozambique (FRELIMO), the ruling party, for 15 years. Machel also is Commander in Chief of the Armed Forces, and was in charge of FRELIMO's guerrilla army during the anticolonial war. He is Mozambique's most popular leader, who regularly enthralls large crowds with his energy and confidence. Probably the greatest constraint on Machel's personal authority is his desire to maintain consensus within FRELIMO's hierarchy.

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According to US Embassy reporting, Machel has impressed most foreign visitors as an able, likable and astute statesman, although given to dominating conversations. He has a smattering of English, but will speak through an interpretermost likely the able Fernando Honwana, Special Assistant to the President and Chief of the Secret Police. Machel describes himself as a Marxist-Leninist, but his record suggests he is not an ideologue. Until recently, Machel hewed eagerly to socialist formulas, but lately has taken several pragmatic steps to solve Mozambique's social and economic problems.

## Spreading Insurgency

The Mozambique National Resistance (RENAMO)--which has expanded from a few hundred guerrillas in Manica Province in 1980 to between 12,000 and 15,000 guerrillas throughout rural Mozambique today--may be the fastest growing insurgent group in Africa. (See Map 1) RENAMO has nearly twice as many guerrillas, active in more than double the territory, and opposed by substantially fewer government troops, than did FRELIMO at its peak during its 12-year independence struggle.

The guerrillas have gained the tactical initiative throughout rural Mozambique, although, in our judgment, RENAMO cannot yet defeat the Mozambican Army decisively. Attacks are heaviest in the central and northwestern provinces, where the guerrillas are hitting roads and rail lines, other economic facilities, and government forces, and also in the

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south, where RENAMO seeks to isolate Maputo and gain maximum publicity. A raid on two factories in the capital suburbs in May 1985 brought the war to Maputo, but RENAMO still has not mounted significant operations inside any major city.

Late last month, Mozambican and Zimbabwean forces began an offensive aimed at inflicting heavy losses on the insurgents before the rainy season begins in late October. Zimbabwean ground and air forces opened the offensive with an attack on the guerrilla stronghold of Gorongosa, according to press reports. While the current government offensive is likely to give Maputo a badly needed boost in morale. we believe it will only temporarily disrupt the insurgents.

We do not believe claims by the Mozambican government that the guerrillas continue to depend on foreign sources of supply. In our judgment, RENAMO has received only small amounts of aid from South Africa since the Nkomati Accord was signed in March 1984, yet guerrilla activity has increased substantially during that time. Although RENAMO may still receive small amounts of foreign aid supplied by official or private backers in Portugal, France, Malawi, South Africa, or several conservative Arab states—we judge these would be inconsequential militarily. Instead, we suspect the insurgents are relying on stockpiles that Pretoria built up just before the Accord was implemented, and upon substantial military supplies captured from the Mozambican Army.

Mozambican claims that the insurgents are "bandits" with no popular support appear unfounded, despite RENAMO's unsavory beginnings as a creature of Rhodesian intelligence. RENAMO's rapid growth indicates that the insurgents enjoy the sympathy and support of many rural Mozambicans, especially members of the Shona-speaking groups in the central provinces, but has encountered some difficulty expanding beyond this ethnic base. Maputo's decision in 1983 to provide some economic support to disaffected peasant farmers for the first time, and Machel's recent meeting with Mozambican religious leaders, are indications that the government is trying to regain the loyalties of major population groups.

The Mozambican Army--described by some Western military attaches as one of the worst armies in Africa--has been ineffective due to its critical shortages of troops and material. Despite recent efforts to expand the government's forces, we calculate that the Army has only about 35,000 troops--aided by several thousand rag-tag militia and about 8,000 Zimbabwean\* soldiers. The resulting 4-to-1 manpower advantage over the guerrillas is insufficient, in our view, for effective counterinsurgency,

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and the ratio probably is declining due to large-scale desertion from the Army. increasing draft avoidance. and RENAMO's continued growth.

the Army is ineptly led, demoralized, and short of everything from boots to helicopters. Unable to operate or maintain much of what little sophisticated equipment it possesses, the Army has not been able to compensate with superior technology for its lack of manpower. Embassy sources report that Maputo recently asked China and North Korea to provide infantry weapons and training, and at least China has begun to do so. British and Portuguese plans to retrain Mozambican officers in Zimbabwe and Portugal, along with continued Tanzanian training of Mozambican troops, will improve the Army's tactical capabilities only gradually. (See Map 2)

#### Economic Collapse

In addition to problems in the Army, Maputo is faced with the enormous task of rebuilding an economy which has been devastated since independence by the departure of skilled foreign workers and managers, a dramatic reduction of economic ties to South Africa, ineffectual Marxist policies, and the growing insurgency. The International Monetary Fund estimates that Mozambique's gross domestic product declined in real terms about 2 percent annually between 1973 and 1983, and real GDP per capita fell a total of 50 percent over that period. Industrial output has plummeted to about 20 or 30 percent of capacity. Consumer goods are in short supply in the cities and virtually unseen in rural markets. The Soviet-style state farms that were the backbone of Maputo's agricultural policy have failed so miserably that--even before the recent droughts and floods--production of key export crops was less than half the preindependence levels.

Mozambican independence triggered the exodus of almost all middleclass Portuguese, who took with them or destroyed most of the country's vehicles. Rural markets collapsed as Portuguese and Asian traders moved abroad or to the cities. Unable to transport or market their goods

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<sup>\*</sup>Zimbabwe's troops in Mozambique appear more effective than the Mozambicans, but they normally do little more than guard the pipeline, roads, and the railway that Zimbabwe uses. The US defense attache reports that the Zimbabwean contingent has been reinforced since late May 1985, when it numbered about 3,000 troops, and that it has begun offensive operations in Mozambique.

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locally, many farmers stopped producing for the cash economy and grew only enough food to meet their own needs. Shortages of raw agricultural inputs, skilled labor, and experienced managers crippled domestic industry. Mozambican cities ran short of jobs and food.

South African hostility to the new regime in Maputo deprived Mozambique of its most significant sources of foreign earnings and accelerated the economic collapse. South Africa had used the port of Maputo to receive almost half of the goods it imported for its industrial heartland, and about 118,000 Mozambican miners worked in South Africa at the time of Mozambican independence. Transit fees, remittances from the miners's salaries, and spending by South African tourists amounted to more than half of Mozambique's foreign earnings. Today, however, only 45,000 Mozambican miners are in South Africa, tourism has virtually ceased, and Pretoria's use of Mozambican port facilities has greatly diminished, according to press reports.

Alternating droughts and floods during the past four years have resulted in poor harvests and the migration of thousands of refugees to coastal areas and neighboring countries. In southern Mozambique, areas of Gaza and Inhambane Provinces remain severely affected by drought. Press accounts claim that more than 600,000 people there are affected by serious food shortages. Although the north has benefited from improved rainfall and intensified relief efforts, there are approximately 400,000 people now at risk of starvation in Tete Province alone, according to the press.

Mozambique compounded its economic woes shortly after independence with an ineffectual program of rapid socialization. Only insurance companies, banks, and the country's oil refinery were nationalized initially, but the state soon began intervening to try to save one failing company after another, according to academic studies. Large state shops were created, but they had little to sell because imports of consumer goods had been cut to conserve foreign exchange. In agriculture, the Third Party Congress in early 1977 gave its highest priority to converting plantations and private farms into large, Soviet-style state farms. Indeed, FRELIMO's 10-year plan in 1981 adopted the Soviet development model for both agriculture and industry, and it provided virtually no support for small private farms or industries.

Economic collapse and growing sympathy for RENAMO among disaffected peasants forced FRELIMO to revise its basic economic strategy. First to go were the state shops, which FRELIMO closed or turned over to private entrepreneurs in 1980. A year later the Minister of Agriculture

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acknowledged that not one of the large state farms was profitable. At FRELIMO's Fourth Party Congress in early 1983, Machel and others supported economic liberalization. The Party Congress favored a new emphasis on peasant agriculture and small-scale development projects. FRELIMO's pro-Western economic realism accelerated in 1984 when Maputo joined the IMF, World Bank, and Economic Community-sponsored Lome Convention, and it also signed an agreement with the US Overseas Private Investment Corporation.

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Constant insurgent attacks on vital transportation lines from the key ports of Maputo and Beira have stalled rehabilitation and recovery efforts in the opinion of most observers. Ambushes of supply trucks, as well as the general disrepair of transport facilities and lack of fuel, have hampered efforts in recent years to distribute food to hungry peasants in drought-stricken areas, and guerrilla activity has forced several countries to withdraw advisers from the countryside, according to Embassy reporting. This year the US Embassy reports that farmers in many areas plowed their fields, but the unreliable transportation system prevented delivery of seeds and other farm equipment in time for planting. Maputo expects that food stocks will be exhausted by October and that there will be a 300,000-ton deficit, about 40 percent of the country's food needs.

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### The Soviet Factor

The Soviets and their allies have established a broad range of political, military, and economic ties with Mozambique since 1975. We believe the Soviets' main goals are:

- -- Ensuring Maputo's continued dependence on the USSR for military and security support.
- -- Gaining regular access to air and naval facilities that would extend Soviet ability to monitor Western and south African naval activity in the region.
- -- Undermining South African and American diplomatic initiatives with the aim of isolating Pretoria and Washington from black African states.
- -- Reestablishing Mozambique as a base for the operations of anti-South African guerrilla groups.
- -- Expanding the community of "socialist-oriented" states.

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Military aid has been the cornerstone of the relationship, with the Soviet Bloc supplying nearly \$1 billion in equipment--including MIG-21 interceptors, MI-24 attack helicopters, and T-54 or T-55 tanks--and some 800 military advisers and technicians. The advisers have been directly involved in the planning, training, intelligence, and logistic functions associated with Maputo's counterinsurgency operations. Moscow has cultivated extensive party-to-party ties with FRELIMO, and Mozambique is one of four African states that has a Treaty of Friendship and Cooperation with the USSR. The Soviets have concluded numerous economic accords with Maputo, and they are the major supplier of petroleum.

Mozambique is important to the Soviets for several reasons. In exchange for supplying Maputo's military needs, the Soviet Union has gained valuable access rights in Mozambique. Regular calls at Mozambican ports by Soviet naval combatants, fishing vessels, and merchant and research ships facilitate Soviet operations and demonstrate Moscow's presence and interest in the region. Moreover, the first-ever deployment of two IL-38 antisubmarine warfare aircraft to Maputo earlier this year may portend Soviet use of Mozambican airfields to expand surveillance of the Indian Ocean. Mozambique provided a convenient conduit for Soviet aid to the African National Congress (ANC) before the Nkomati Accord was implemented last year.

Despite the Soviet investment, by early 1984 Maputo had become disenchanted with some key aspects of its relationship with the USSR. Soviet military aid and advice had not enabled FRELIMO to stem the growing RENAMO threat, and some Mozambicans criticized the Soviets for transforming FRELIMO's once mobile guerrilla army into a conventional force ill-prepared to fight insurgents. Soviet instructors sought to prepare the Mozambicans to defend against conventional attacks by Rhodesian and South African forces, teaching courses in tank warfare that are better suited to conventional warfare in Europe than to guerrilla warfare in southern Africa. Soviet equipment deliveries have centered on big ticket items including tanks, aircraft, and missiles, rather than more mundane and needed items like uniforms, transport vehicles, and

mundane and needed items like uniforms, transport vehicles, and communications equipment.

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Though reportedly unhappy with recent developments and the prospects of Machel holding talks in the US, Moscow is far from ready to give up on Mozambique. Though the Mozambican bid for full membership was rejected, CEMA will soon establish an office in Maputo under terms of an agreement just concluded, and the USSR has signed several bilateral economic agreements with Maputo this year. The Soviets have agreed to provide much-needed consumer goods, to help develop Mozambique's coal deposits in the north, and to improve the rail line from the mines to the port at Beira.

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# US-Mozambican Relations

Washington and Maputo have recently strengthened bilateral diplomatic and economic ties, and the groundwork has been laid for a program of US military assistance. Mozambique is cooperating with the US in efforts to put an end to cross-border violence in southern Africa and to create a climate in which regional economic development and South African domestic reform can go forward. It has interceded with Angola to support US proposals on the difficult Namibian negotiations, and it signed the Nkomati Accord partly at US urging.

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Mozambique's relations with the US have become more cordial as its ties to Moscow have appeared to loosen. The relationship sunk to its lowest in 1980 when Maputo expelled several US diplomats accused of espionage, and Washington recalled its Ambassador in protest. In late 1983, the US assigned a new Ambassador to head its small three-man Mission in Maputo, and in 1984 it resumed bilateral assistance. Direct economic aid to Maputo--other than humanitarian--had been discontinued seven years earlier. For its part, Maputo has thanked the US for its help and mostly dropped Marxist jargon and name-calling from its official pronouncements. Maputo's voting record at the UN has improved, although US officials see room for further progress.

US humanitarian and economic assistance to Mozambique totalled \$52.2 million in 1985, although Congress did not approve a small package of nonlethal military equipment and training. Mozambican officials have objected to Congressional efforts to impose conditions on US aid to Mozambique--calling such measures interference in Maputo's internal affairs and "sanctions" against Mozambique--but they now appear to be reserving further comment until Congressional action is completed. We believe that Machel is receptive to requests for a US naval visit to a Mozambican port and the assignment of a defense attache to the US Embassy in Maputo, but that he first wants Washington to initiate a program of military assistance to Mozambique.

#### Relations with South Africa

Machel's attitude toward South Africa strikes a compromise between his realistic approach to cooperation and his deeply held aversion to apartheid. Generally, Machel has been skeptical but encouraging of Pretoria's efforts at reform.

We believe that prospects are good that the Nkomati Accord will continue to hold. Early this year, Machel was frustrated that RENAMO had not withered after the cut-off of South African direction and support, and he accused Pretoria of noncompliance with the pact. We believe he now recognizes that Pretoria, in the main, has complied with Nkomati, and we doubt that Machel will abrogate the pact for fear of resuming South African support to RENAMO.

For its part, we believe South Africa is anxious to preserve the Nkomati agreement, which has removed the ANC from South African borders, provided a measure of international recognition of the regime in Pretoria, and stands as an important

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countryside and concentrates around the cities, key arteries, and a few other economically important areas. RENAMO's lack of a modern grassroots political organization will hinder insurgent efforts to consolidate control over the countryside. We believe it is unlikely but possible,

however, that spectacular government setbacks could spark a coup d'etat or

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rapid collapse of FRELIMO's and the Army's will to fight, or that the insurgents could be compelled to curtail military operations as a result of a leadership split or exhaustion of their military stockpiles.

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We believe it is unlikely that FRELIMO and RENAMO will soon negotiate a settlement, despite reports that both Machel and RENAMO's chief political spokesman are receptive to resuming talks. Machel, however, stunned the world with his public signing of a nonaggression pact with South Africa last year, and we cannot rule out the possibility that he might boldly offer to hold unconditional talks with guerrilla leagers. He probably would refuse to negotiate with RENAMO's externally-based political representatives, however, whom he condemns as "neocolonials" interested only in recovering property and privileges that they lost at independence. Nonetheless, productive talks seem unlikely as long as the guerrillas believe a military victory is within their grasp.

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We believe that Machel's turn to economic liberalization and new ties to the West will continue, although the country, like many other African states, probably will continue to favor some socialist aspects of economic development.

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In our view, if the Soviets choose to upgrade their commitment, they will most likely pursue the option of gradually increasing their arms and advisory assistance, especially if this is adequate to maintain or even expand access rights from a hard-pressed Machel. Soviet military aid at present levels will not, in our judgment, significantly upgrade FRELIMO's ability to combat the insurgency. Increased levels of equipment and advisory support could help somewhat, but probably would not be sufficient to defeat RENAMO in the short term. Such actions would, however, facilitate Soviet pursuit of a longer range strategy in Mozambique, under which they would deepen Mozambican military dependence on the USSR, expand their access to military facilities, further isolate Pretoria from its black African neighbors, discredit Western diplomatic initiatives, and restore Soviet credibility as a reliable ally.

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In the unlikely event that the insurgents should soon threaten the survival of the Machel regime, we believe that Moscow would up the ante substantially in order to preserve its credibility as an ally. Under those circumstances, the presently low chances that Machel would request—and Moscow would provide—Cuban troops would rise significantly.

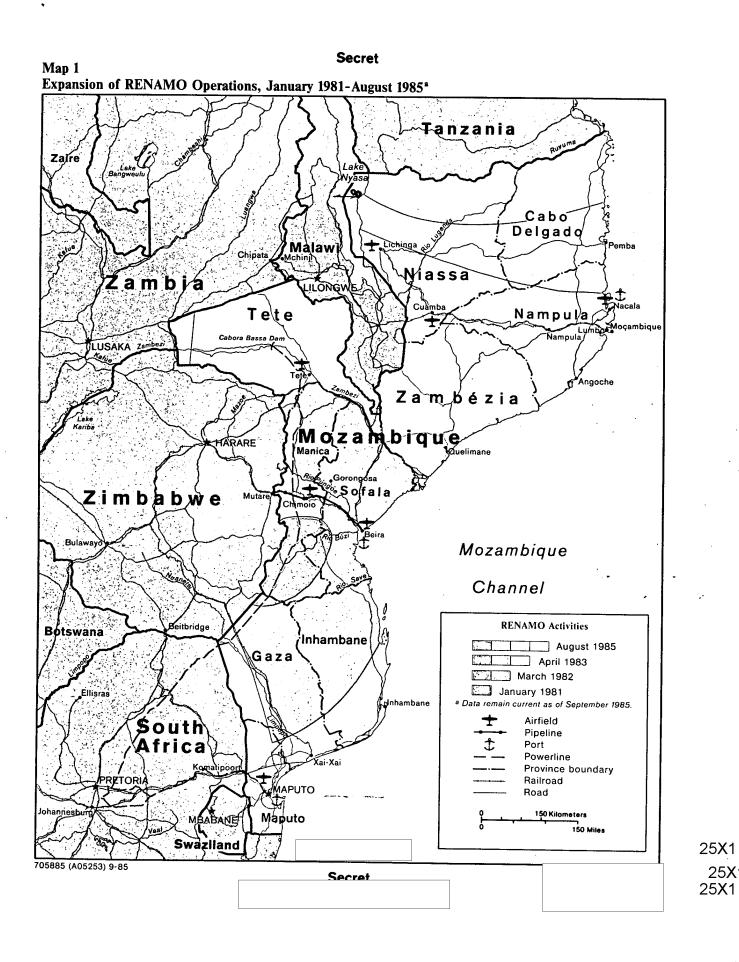
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We believe that it would take time and effort to wean Mozambique away from the Soviet Union. Maputo is militarily dependent on the  ${\sf USSR}$ ,

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